

Message Text

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51

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 L-02 FRB-01 OMB-01 TAR-01 SP-02

SWF-01 AGR-05 AID-05 CIAE-00 COME-00 INR-05 IO-10

LAB-04 NSAE-00 RSC-01 SIL-01 STR-01 TRSE-00 CIEP-01

CEA-01 SS-15 NSC-05 SSO-00 NSCE-00 INRE-00 /082 W

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O 061904Z DEC 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 4915

INFO AMEMBASSY LONDON IMMEDIATE

LIMITED OFFICIAL USE PARIS 29364

DEPARTMENT PASS AGRICULTURE

E.O. 11652: N/A

TAGS: ETRD EAGR FR

SUBJ: SUGAR: IMPASSE ON PARIS BOURSE

REF: PARIS 29222

1. PARIS WHITE SUGAR MARKET WAS UNABLE TO REOPEN
DECEMBER 6 DUE TO FAILURE TO REACH ANY UNDERSTANDING
ABOUT PRICE AT WHICH OUTSTANDING SELL ORDERS COULD BE
LIQUIDATED. CAISSE DE LIQUIDATION HAS REFUSED OFFER BY
BROKERS REPRESENTING SHORT INTEREST TO BUY CONTRACTS AT
MARKET PRICE, CLAIMING RESUMPTION OF TRADING ON THAT
BASIS WOULD BANKRUPT THE CAISSE PRESUMABLY DUE TO LARGE

LOSSES INCURRED BY BROKERS ON MARGIN ACCOUNTS. SOME
BROKERS HAD APPARENTLY ADVANCED FUNDS CONTRARY TO RULES
OF THE MARKET DUE TO FRENCH POSTAL STRIKE AND WISH TO
BENEFIT FROM FRENCH RULING WHICH PERMITS DEBTORS UNTIL
DECEMBER 13 TO PAY ACCOUNTS WHICH CAME DUE DURING
POSTAL STRIKE. CAISSE ALSO CLAIMED IT IS RESPONSIBILITY
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OF BOURSE TECHNICAL COMMITTEE TO NEGOTIATE AND TO FIX

A SETTLEMENT PRICE. TECHNICAL COMMITTEE CLAIMS THIS IS RESPONSIBILITY OF THE CAISSE. REAL PROBLEM REMAINS ONE OF FINANCING WHICH IS NOT RESOLVED BY THE OFFER OF SHORT INTERESTS WHO WISH TO CONSOLIDATE PROFIT ON EARLIER TRANSACTIONS.

2. AT THIS MOMENT OUTLOOK FOR REOPENING OF MARKET ON MONDAY IS NOT GOOD, AS MINISTRY OF COMMERCE REMAINS ON SIDELINES.

RUSH

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NNN

Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: SUGAR, AGREEMENTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: lzenbel0
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740355-0064
From: PARIS
Handling Restrictions: n/a
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EO Systematic Review
30 JUN 2005

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